

ASSEMBLY BILL

No. 1291

Introduced by Assembly Member Campbell

February 21, 2003

An act to amend Section 739 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1291, as introduced, Campbell. Baseline rates: electric pumps.

(1) Existing law requires the Public Utilities Commission to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer. The commission is also required to develop a separate baseline quantity for “all-electric residential customers,” as defined, that is equal to 60% to 70% of average residential consumption during the winter heating season. Under existing law, the commission requires every electrical and gas corporation to file a schedule of rates and charges providing baseline rates.

This bill would require the commission to additionally develop a separate baseline quantity, that is equal to 60% to 70% of average residential consumption during the winter heating season, for residential customers that rely upon well water that is pumped with an electric pump. Since existing law makes any public utility that violates specified provisions regulating public utilities guilty of a misdemeanor, this bill would impose a state-mandated local program by changing the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 739 of the Public Utilities Code is
2 amended to read:

3 739. (a) The commission shall designate a baseline quantity
4 of gas and electricity which is necessary to supply a significant
5 portion of the reasonable energy needs of the average residential
6 customer. In estimating those quantities, the commission shall take
7 into account differentials in energy needs between customers
8 whose residential energy needs are currently supplied by
9 electricity alone or by both electricity and gas. The commission
10 shall develop a separate baseline quantity for all-electric
11 residential customers *and for electric pump residential customers*.
12 For these purposes, “all-electric residential customers” are
13 residential customers having electrical service only or whose
14 space heating is provided by electricity, or both, *and “electric*
15 *pump residential customers” are residential customers that rely*
16 *upon well water that is pumped by an electric pump*. The
17 commission shall also take into account differentials in energy use
18 by climatic zone and season.

19 (b) (1) The commission shall establish a standard limited
20 allowance which shall be in addition to the baseline quantity of gas
21 and electricity for residential customers dependent on life-support
22 equipment, including, but not limited to, emphysema and
23 pulmonary patients. A residential customer dependent on
24 life-support equipment shall be given a higher energy allocation
25 than the average residential customer.

26 (2) “Life-support equipment” means that equipment which
27 utilizes mechanical or artificial means to sustain, restore, or
28 supplant a vital function, or mechanical equipment which is relied
29 upon for mobility both within and outside of buildings.
30 “Life-support equipment,” as used in this subdivision, includes
31 all of the following: all types of respirators, iron lungs,



1 hemodialysis machines, suction machines, electric nerve
2 stimulators, pressure pads and pumps, aerosol tents, electrostatic
3 and ultrasonic nebulizers, compressors, IPPB machines, and
4 motorized wheelchairs.

5 (3) The limited additional allowance shall also be made
6 available to paraplegic and quadriplegic persons in consideration
7 of the increased heating and cooling needs of those persons.

8 (4) The limited additional allowance shall also be made
9 available to multiple sclerosis patients in consideration of the
10 increased heating and cooling needs of those persons.

11 (5) The limited additional allowance shall also be made
12 available to scleroderma patients in consideration of the increased
13 heating needs of those persons.

14 (6) The limited allowance shall also be made available to
15 persons who are being treated for a life-threatening illness or have
16 a compromised immune system, provided that a licensed
17 physician and surgeon or a person licensed pursuant to the
18 Osteopathic Initiative Act certifies in writing to the utility that the
19 additional heating or cooling allowance, or both, made available
20 pursuant to this subdivision is medically necessary to sustain the
21 life of the person or prevent deterioration of the person's medical
22 condition.

23 (c) (1) The commission shall require that every electrical and
24 gas corporation file a schedule of rates and charges providing
25 baseline rates. The baseline rates shall apply to the first or lowest
26 block of an increasing block rate structure which shall be the
27 baseline quantity. In establishing these rates, the commission shall
28 avoid excessive rate increases for residential customers, and shall
29 establish an appropriate gradual differential between the rates for
30 the respective blocks of usage.

31 (2) In establishing residential electric and gas rates, including
32 baseline rates, the commission shall assure that the rates are
33 sufficient to enable the electrical corporation or gas corporation to
34 recover a just and reasonable amount of revenue from residential
35 customers as a class, while observing the principle that electricity
36 and gas services are necessities, for which a low affordable rate is
37 desirable and while observing the principle that conservation is
38 desirable in order to maintain an affordable bill.

39 (3) At least until December 31, 2003, the commission shall
40 require that all charges for residential electric customers are

1 volumetric, and shall prohibit any electrical corporation from
2 imposing any charges on residential consumption that are
3 independent of consumption, unless those charges are in place
4 prior to the effective date of the act that added this paragraph.

5 (d) As used in this section:

6 (1) “Baseline quantity” means a quantity of electricity or gas
7 for residential customers to be established by the commission
8 based on from 50 to 60 percent of average residential consumption
9 of these commodities, except that, for residential gas customers,
10 ~~and for all-electric residential customers, and electric pump~~
11 *residential customers*, the baseline quantity shall be established at
12 from 60 to 70 percent of average residential consumption during
13 the winter heating season. In establishing the baseline quantities,
14 the commission shall take into account climatic and seasonal
15 variations in consumption and the availability of gas service. The
16 commission shall review and revise baseline quantities as average
17 consumption patterns change in order to maintain these ratios.

18 (2) “Residential customer” means those customers receiving
19 electrical or gas service pursuant to a domestic rate schedule and
20 excludes industrial, commercial, and every other category of
21 customer.

22 (e) Wholesale electrical or gas purchases, and the rates charged
23 therefor, are exempt from this section.

24 (f) Nothing contained in this section shall be construed to
25 prohibit experimentation with alternative gas or electrical rate
26 schedules for the purpose of achieving energy conservation.

27 SEC. 2. No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 the only costs that may be incurred by a local agency or school
30 district will be incurred because this act creates a new crime or
31 infraction, eliminates a crime or infraction, or changes the penalty
32 for a crime or infraction, within the meaning of Section 17556 of
33 the Government Code, or changes the definition of a crime within
34 the meaning of Section 6 of Article XIII B of the California
35 Constitution.

